

PHILIP MORRIS INCORPORATED
INTER-OFFICE CORRESPONDENCE
RICHMOND, VIRGINIA

VIII. Special Studies

To: H. Merritt

Date: June 25, 1963

From: C. V. Mace, Jr.

Subject:

Attached are the charts presented at the project review on RTPM
(Project 1401), Monday, June 24, 1963.

var

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belts: (this is small)

d. Burley Stems - Variation

Burley stems showed no variation among grades.

6/24/63

VIII. Special Studies

ECONOMIC STUDIES

RTPM Process - Project 1401

Objectives

1. Optimum RTPM Plant Size
2. Phasing in RTPM and Phasing Out BL
3. Plant Location
4. Storage and Handling of Raw Materials
5. Relative Attractiveness of RTPM and BL Processes by Venture Worth Analysis

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RTPM Cost for Different Plant Capacities, HTI Blend

Machine	A	B	C	D	E	F	G
Width, in.	55	83	110	166	200	2 x 55	2 x 83
Design Spd., ft/min	300	300	300	300	250	300	300
Cpcty., mm #/yr							
3 shifts, 5 days	10.7	16	21.3	32	32	21.3	32
4 shifts, 7 days	16	24	32	48	48	32	48
Investment, mm \$	2.75	3.50	4.10	5.20	5.80	4.96	5.95

mm lbs. RTPM/yr	RTPM Cost, \$/100 lbs.					
<u>3 shifts - 5 days</u>						
16	18.9	20.5	21.0			21.2
21		17.9	18.6	19.1	19.2	19.9
24			17.9	18.3		19.0
32			16.5	16.9		17.4
<u>4 shifts - 7 days</u>						
16	18.8	19.8	21.0	22.2		22.1
21		18.1	19.3	19.8		20.0
24		17.4	18.6	19.0		19.1
32			16.5	17.1	17.4	17.6
48				15.5	15.8	16.2

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Constant visual examination is being made of equipment to determine corrosion effects.

All equipment for the small solubles preparation and filtration system has been received. Assembly should be completed in coming period. This entire system will be a corrosion study.

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RTPM vs. BL

Basis: 21mm lbs/yr.

Feed Composition, HTI Sample in 70

	RTPM	BL	
Factory By-Product, Stem	7.1	7.6	8.8
" " , Leaf	16.4	17.6	20.4
Glycerin	5.0	-	-
Factory Scrap	10.7	11.5	13.5
Purchased Scrap	10.9	14.9	17.4
Stems	49.9	25.5	29.5
Stems in Binder	00.0	-	10.4
Stems for Binder	00.0	22.9	-
	100.0	100.0	100.0
% Leaf	38	44	51.3
% Stem	57	56	48.7
Leaf/Stem Ratio	0.67	0.78	1.05

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Cost of Tobacco Feed for RTPM & BL

mm lbs. per yr.	Feed Cost, * \$/100 lbs.	
	RTPM	BL
16	7.60	
21	9.30	9.72
32	11.30	

* Excludes cost of glycerin in RTPM = \$1.10/100 lbs. and cost of dry flavors at \$0.44/100 lbs. for RTPM and BL.

Cost of RTPM vs. BL

Basis: 21 mm lbs/yr.
Cost in \$/100 lbs.

RTPM	BL	
110" - 3 shifts - 17.9	Present dust formula	24.6
83" - 4 shifts - 18.1	DAP with present dust	21.1*
	DAP + increased stems in dust	19.3**

* Reduces cost of BL by about \$3.5/100 lbs.

** Reducing leaf-to-stem ratio from 0.88 to 0.67 (same as RTPM) in DAP BL reduces cost about \$1.8/100 lbs.

Reducing leaf-to-stem ratio from 1.05 to 0.67 (same as RTPM) in present BL dust formulation reduces cost about \$2.7/100 lbs.

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